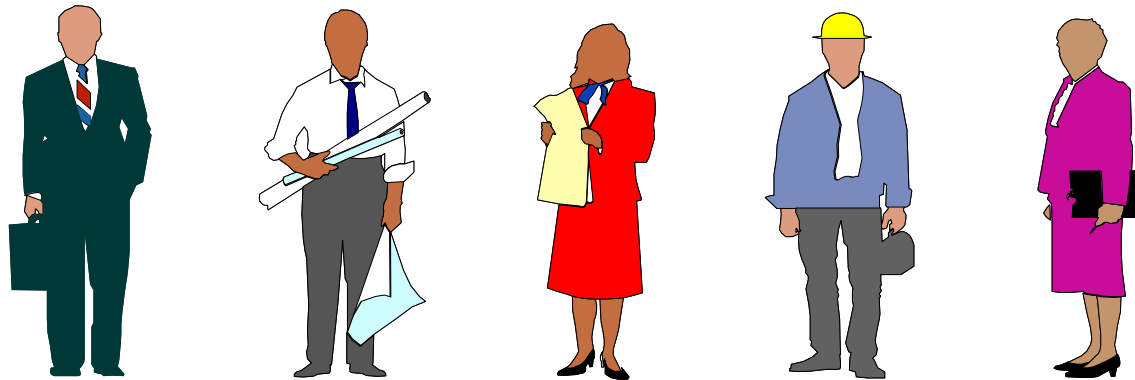


Profile of the Montana Worker 2002



Date of release: Aug. 28, 2002

Profile of the Montana Worker

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Judy Martz, Governor

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We will do our best to provide information in accessible format, on request, in compliance with the Americans with Disabilities Act. We hope you find this report useful. Please feel free to contact us if you have any comments or suggestions.

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Profile of the Montana Worker

Overview . . .



OVERVIEW

Montana continues to experience positive growth in population, jobs and income. More people are living in Montana, more jobs are available, and those people working are earning more money. This growth, however, is not spread evenly across the state, and per capita income continues to rank near the bottom of states at 46th.

Statewide, 2000 to 2001

Payroll employment covered by unemployment insurance increased 1.3 percent, or 5,000 jobs, 2001 compared with 2000. The previous year (2000), growth was 2.1 percent (8,000 jobs), so the Montana economy definitely slowed in 2001, but avoided the national recession. It was one of only 8 states to avoid a recession in 2001. At the same time, the unemployment rate continued to decline from 4.9 percent of the workforce in 2000, to 4.6 percent in 2001. The 2001 unemployment rate was the lowest since 1970 when it was 4.3 percent. Unemployment declined a bit further over the first half of 2002 so that for Fiscal Year 2002 (July 2001 through June 2002), unemployment averaged about 4.5 percent. The rate of unemployment has basically declined in Montana and the U.S. since 1983.

According to preliminary information, Montana's total personal income increased by 4.7 percent in 2001 as compared with 5.4 percent for 2000 over 1999. Average income per personCper capita (personal) incomeCalso increased for 2001, by 4.5 percent, more than the inflation rate of 2.8 percent. Inflation adjusted per capita income has increased since 1969 and before. The growth in jobs and inflation adjusted per capita income, coupled with a decline in unemployment, indicate that the economic welfare of Montanans, on the average, improved in 2001. The state's rank among all states for per capita income stayed at 46th, however. Montana's average income per person was 78 percent of the national average in 2001.

Population for Montana increased by about 1,300 people from July 2000 to July 2001, or 0.14 percent. This small increase along with job growth is part of the explanation for the decrease in unemployment for 2001. The small population increase last year also was associated with the Census Bureau estimate that more people left the state than moved in. In the absence of migration, Montana's population increases about 2,800 people per year due to the excess of births over deaths.

Statewide, 1990 to 2000

Taking a longer historical view, the population of Montana increased by about 103,000 between 1990 and 2000, or 12.9 percent. The experience of the 1990s was in sharp contrast to the 1980s, when total Montana population increased by only 12,000.

The 2000 population was much older, on average, than the 1990 Montana population. Median age increased to 37.5 years as compared with 33.8 years in 1990. The U.S. median age was 35.3 years in 2000. Montana's median age was higher than the U.S. median, primarily because Montana had a larger proportion of people 45 plus years old, along with fewer people 25 to 34 years old, and less than 10 years old.

The increase in the principal working age population (16 to 64) was about 87,000 between 1990 and 2000. The baby-boom generation (age 35 through 53 in year 2000) accounted for almost half (46 percent) of the prime working age population in 2000. A small portion of the leading edge of this group is starting to retire and leave the workforce. This will accelerate over the next 10 to 15 years. The baby-bust group (age 23 to 34 in 2000) are fewer in number and are at an age of high participation in the workforce. The echo-boomers (age 5 to 22 in 2000) are working their way through school and entering the labor force. The echo-boomers are smaller as a group as compared with boomers partially because of declining birth rates. A portion of the oldest members of this group started entering the workforce about 1994. Members of the echo baby-busters (less than age 5 in 2000) are either just entering school, waiting to enter school, or yet to be born. The labor force participation of this smaller group will start about 2012, the same time as the leading edge of boomers reaches age 65.

On the employment side, total jobs (including self-employed) increased by 126,000 from 1990 to 2000; the payroll jobs increase was about 89,000. The yearly jobs growth rates averaged 2.6 and 2.4 percent, respectively.

Uneven Population Growth Across the State

Over the 1990s, population growth was uneven across Montana. Between 1990 and 2000, 23 of Montana's 56 counties lost population, while 33 others experienced growth. Nearly all the counties losing population were in the eastern third and north central part of the state. Anaconda-Deer Lodge County in the western third of the state was the exception, declining 9 percent. This county has declined in population since 1960. Nineteen counties (all in the western third and south central portion of the state) experienced more than 10 percent population growth.

For the period 2000 to 2001, 38 counties lost population and 18 showed an increase (see map on page 6). Because most of the larger counties were in the increase category Montana overall had a population increase, as indicated above. Carter and Prairie County in eastern Montana were estimated to increase in population, which may be revised downward later. Basically, only counties in a portion of south-central and western Montana increased in population.

Uneven Employment Growth Across the State

Employment growth also was uneven across the state. For payroll jobs covered by the unemployment insurance program (excludes self-employed, most of production agriculture, work-study jobs in higher education, railroads, the military and elected officials) for the period 2000 to 2001, 36 counties increased in employment and 20 declined. This pattern is similar to the pattern for 1999 to 2000 and other time periods. Five counties accounted for all the total statewide net increase of about 5,000 payroll jobs. These were: Yellowstone, Flathead, Missoula, Gallatin and Stillwater. Employment increases and decreases in the other 51 counties cancelled each other in total.

For Yellowstone County, payroll jobs increased by approximately 2,100, up from 500 for the 1999 to 2000 period. Growth was concentrated in services (1,200), especially in health, business and social services. Retail trade added 500 jobs, 400 of which were in department stores. Yellowstone County's 2001 employment growth rate was about 3.3 percent, more than twice the statewide rate of 1.3 percent.

For Flathead County, the 2001 increase was roughly 1,100 jobs, down from 1,800 for 2000. The increases were concentrated in services (including high-tech), retail trade and construction. Flathead County's growth rate was also 3.3 percent.

Payroll jobs in Missoula County went up by about 800 and at a rate of 1.6 percent, just above the 2001 statewide rate. The increase for 2000 was 1,700. Jobs in services increased by about 700 over the period 2000 to 2001.

Gallatin County, the third largest county in total jobs since 1999, increased by about 600 payroll jobs as compared with 1,900 for 2000. Gallatin County's employment increase was concentrated in services (including high-tech computer services).

Stillwater County's 2001 payroll employment increased about 550 jobs, with a growth rate of about 19 percent, the highest in the state. This was largely the result of the well-publicized expansion of the palladium/platinum mine in that county.

Lake County led the group of 20 declining counties with a decline in payroll jobs of 500 jobs (6 percent). The well-publicized Chapter 11 bankruptcy and subsequent sale of the Jore Corporation was primarily responsible for this decrease. Silver Bow County lost approximately 350 jobs. A large portion of this decrease was accounted for by the continued closure of the Montana Resources copper mine. Big Horn County also lost about 350 jobs. The layoffs of Crow tribal employees were the basic reason for the decline. These layoffs were also reported in the press. Other counties declined by 50 or less jobs for 2001.

Geographic Uneven Incidence of Unemployment

The incidence of unemployment is also distributed unevenly across Montana. For 2001, 9 counties had a relatively high unemployment rate of above 7 percent, with Big Horn County still the highest at about 17 percent (see map on page 20). This compares with 11 counties in

2000 and 13 counties in 1999 that had unemployment rates above 7 percent. Anaconda-Deer Lodge County and Musselshell County dropped below 7 percent in 2001. Twenty-six counties, nearly half of all Montana counties, had rates below 4 percent (the very low national average rate for 2000), with Carter and Madison Counties being the lowest at 2.3 percent. Carter County had the lowest unemployment rate for 2000. Of the 9 high unemployment counties, 6 were counties with Indian reservations, where historically employment opportunities have been limited. The other 3 counties were in western Montana (Lincoln, Mineral and Granite). The economies of these western Montana counties are partially dependent on seasonal (part-year) industries such as logging and wood processing, recreation and tourism, and construction. The presence of seasonal industries in itself keeps the annual unemployment rate higher than it would be otherwise. Workers are counted as unemployed for the months they are not working due to spring breakup, the off-season for tourism, winter weather and other factors.

Summary

This report shows that for the period of 2000 to 2001, employment increased on average statewide, the unemployment rate decreased, and inflation adjusted per capita income increased. Combined, these factors indicate that the economic welfare of Montanans generally improved in 2001. Compared with the nation, Montana's unemployment decreased while the national rate increased, jobs in Montana increased at a rate many times the national rate of 0.2 percent, but Montana's rank for state per capita income remained at a low 46th place.

Profile of the Montana Worker

Who We Are . . .



Profile of a Montana Worker

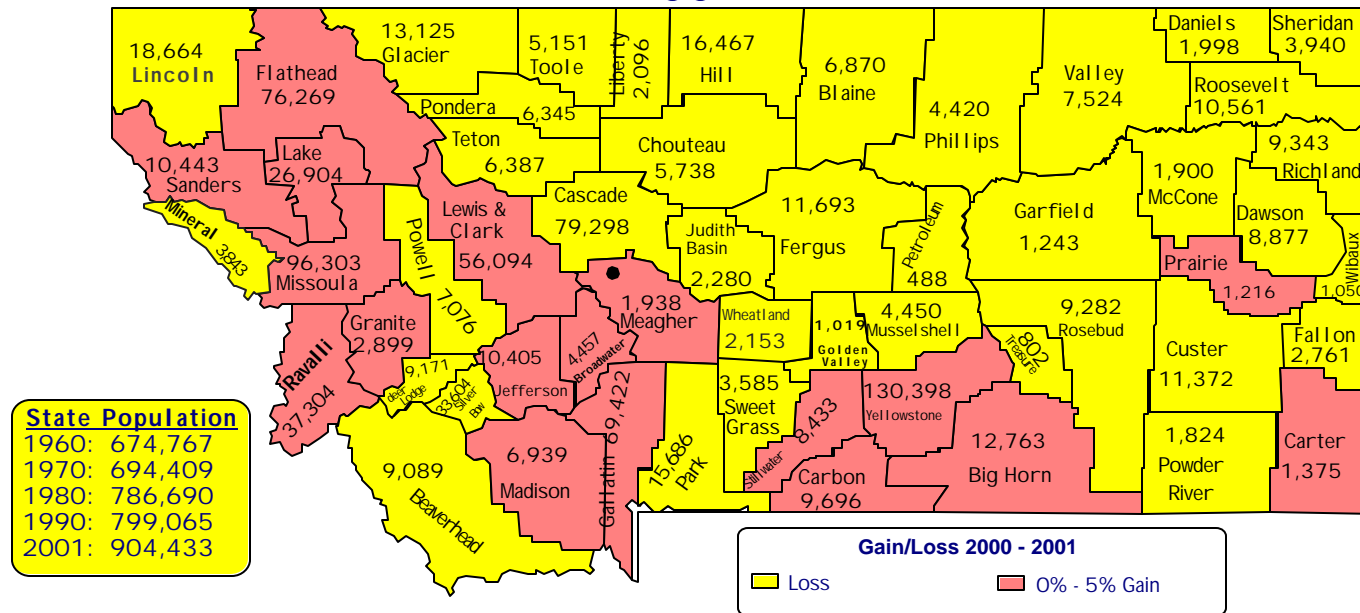


The Average Montana Worker . . .

- & has a high school diploma (or equivalent) or some college, no degree
- & is a full-time employee of a private-for-profit company
- & works in the services sector [for example, as a teacher, child care worker (mostly self-employed) or nurse]; the wholesale/retail trade sector [for example, as a retail salesperson, sales supervisor (owner) or cashier] or the public administration sector [for example, as a general office clerk, secretarial worker, a firefighter or correctional officer]
- & earns about \$25,000 per year (2001 average wage per job)
- & is married with a working spouse and sometimes with one child residing at home
- & lives within 18 minutes of the workplace and does not carpool or take public transportation

Data from 2000 Census, 2000 Current Population Survey, Occupational Employment Statistics, Covered Employment & Wages Report, and U.S. Department of Commerce, Bureau of Economic Analysis
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Population 2001



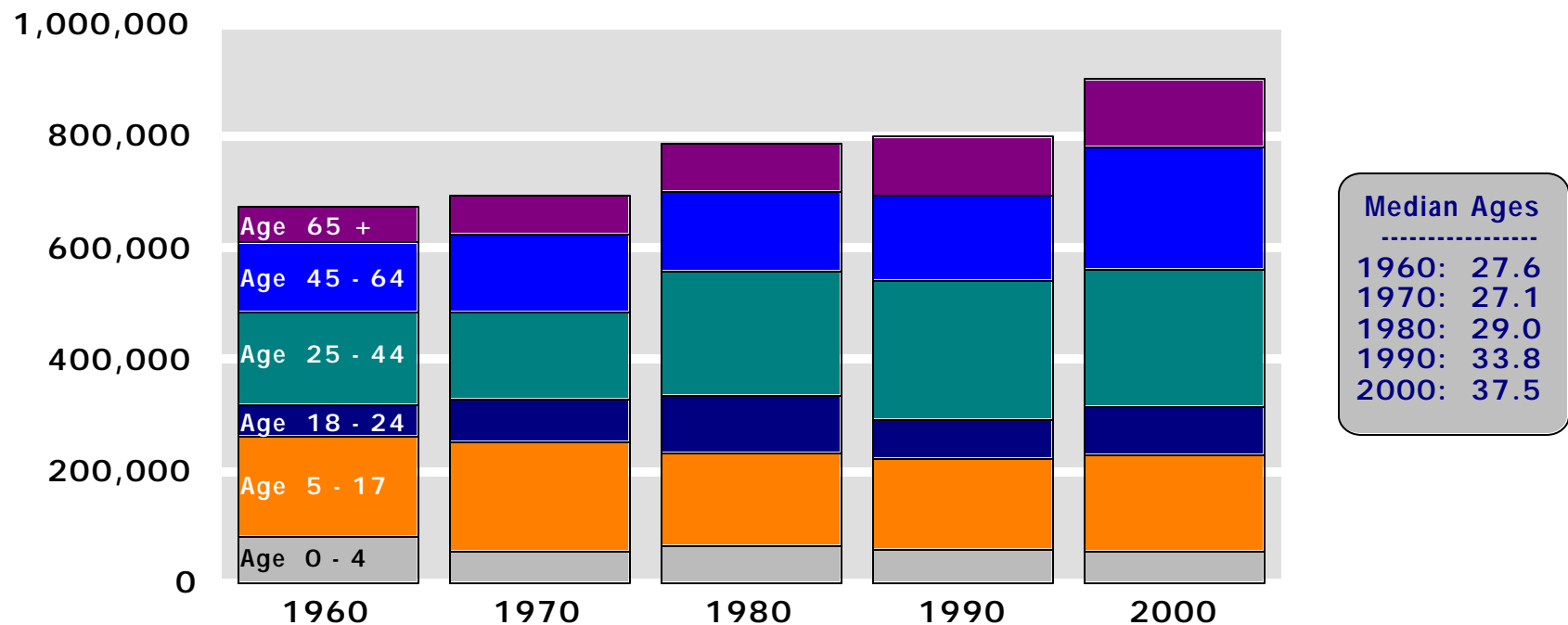
2000 - 2001 State Population Gain: +0.2% (April 2000 to July 2001)

● **Geographic Center of the State's Population 2000***

*Meaning the point at which Montana's population would balance, giving each person's location equal weight.

Data from U.S. Bureau of the Census
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Age Distribution of the Population Montana



The age group 45 - 64 is becoming much larger as the baby boom generation (age 35 - 53) gets older.

Data from U.S. Department of Commerce, Bureau of the Census
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

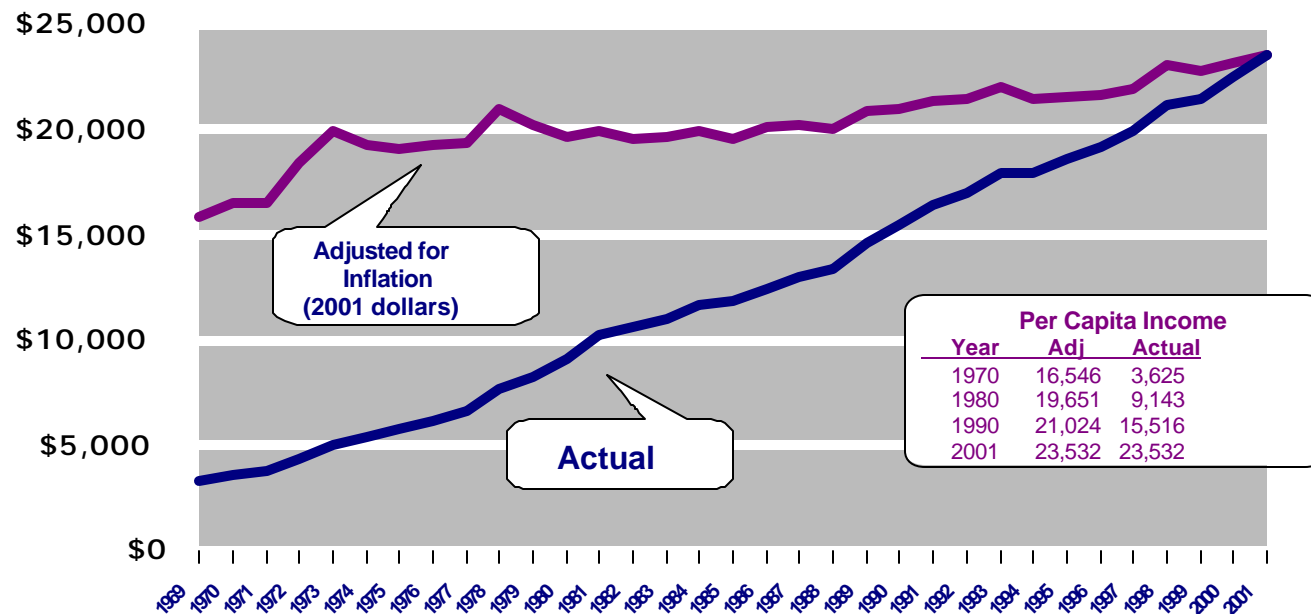
Profile of the Montana Worker



What We Earn . . .

Per Capita Personal Income

Montana 1969 - 2001



Includes:

-) wage & salary income
-) employer contribution for fringe benefits
-) self-employment income
-) rental income
-) personal dividends & interest
-) transfer payments

Excludes:

-) personal contributions for Social Security, capital gains, insurance claims proceeds, etc.



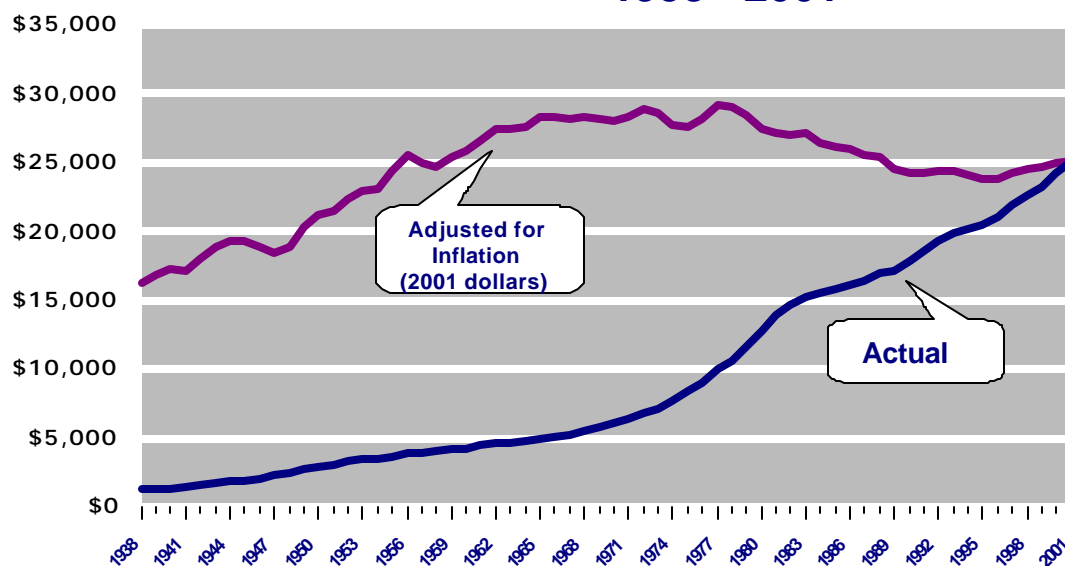
Personal income on a per person basis is growing, even after adjusting for inflation.

Data from U.S. Department of Commerce, Bureau of Economic Analysis
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Average Annual Wage Per Job

Montana Covered Employment*

1938 - 2001



Year	Wage	
	Adj	Actual
1940	17,318	1,369
1950	21,186	2,883
1960	25,829	4,317
1970	28,094	6,155
1980	27,425	12,760
1990	24,233	17,884
2001	25,199	25,199



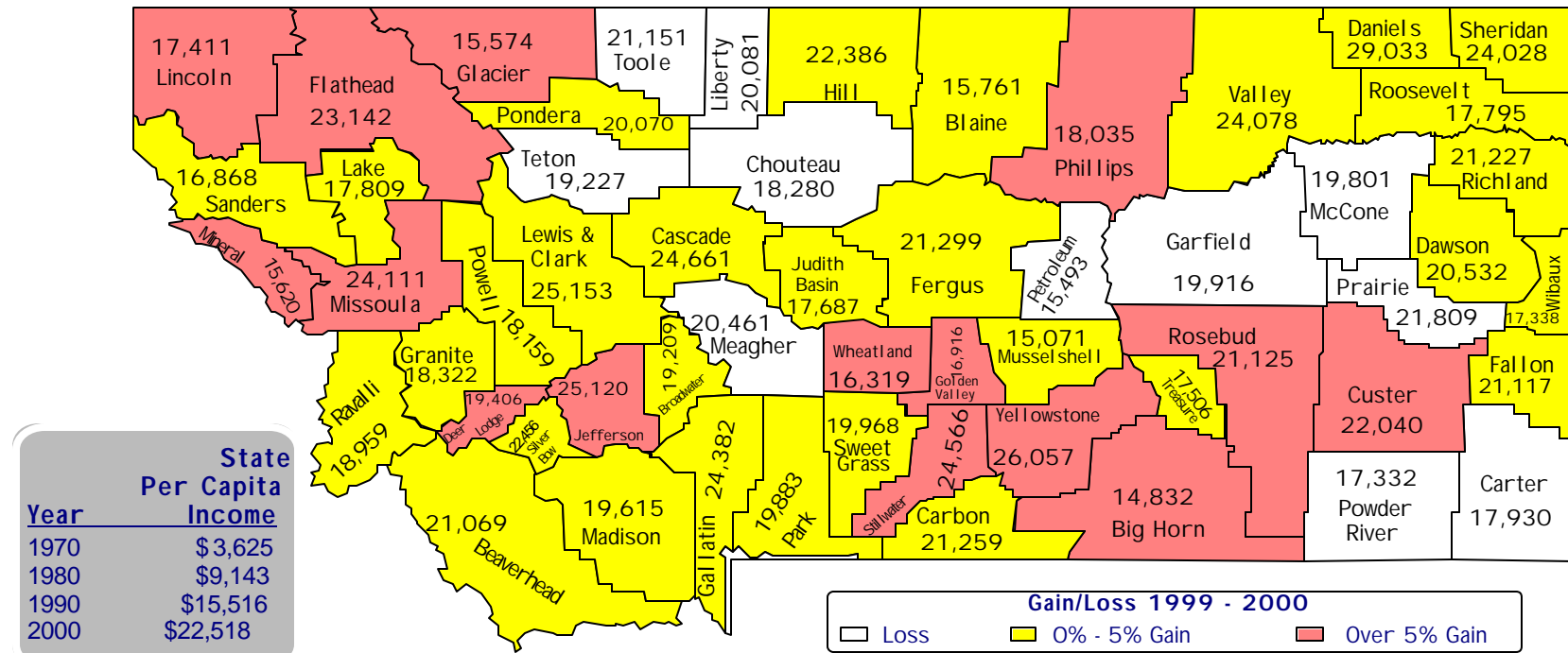
For 1977 to 1995, average wages for payroll jobs generally did not keep up with inflation; since 1995 annual increases have exceeded inflation.

*Covered employment includes government, but excludes railroads, self-employed and most agricultural employment.

Data from ES-202 (covered employment*) series
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Per Capita Personal Income

2000



State Per Capita Income increased 4.8% over 1999, a 1.4% increase after adjusting for inflation.

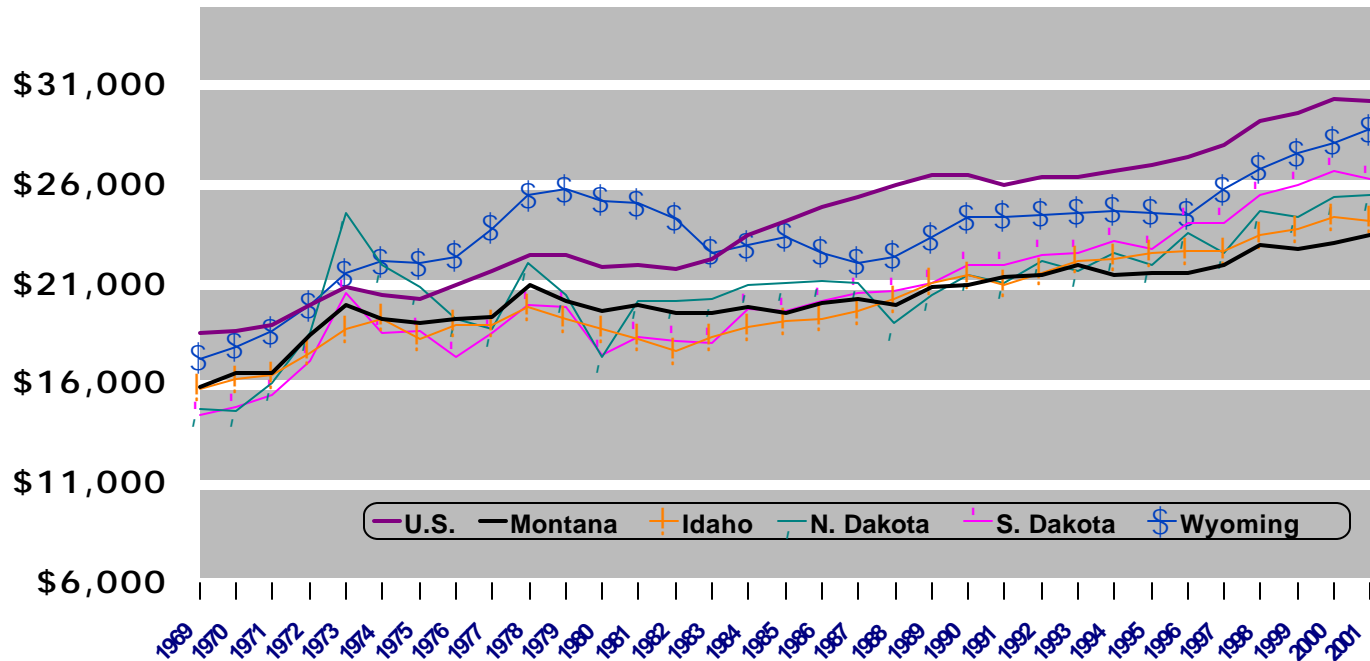
Highest: Daniels \$29,033
 Lowest: Big Horn \$14,832
 Closest to State Average: Silver Bow \$22,456

Data from U.S. Department of Commerce, Bureau of Economic Analysis
 Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Per Capita Personal Income

1969 - 2001

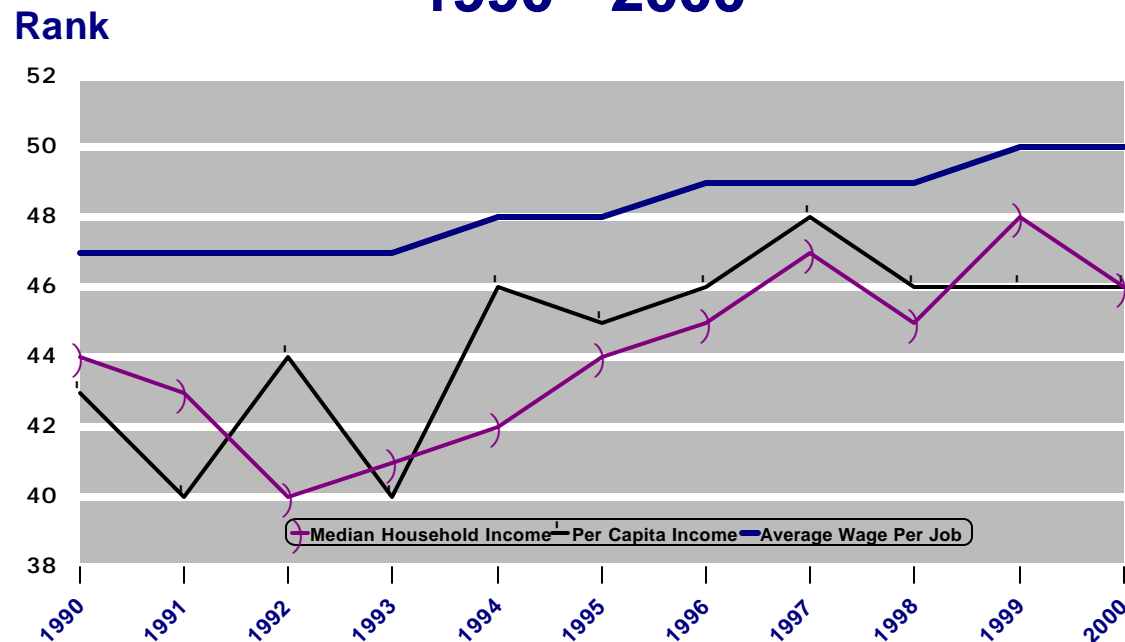
Adjusted for Inflation (2001 dollars)



Montana ranked 46th in the nation for 2001, according to preliminary data.

Data from U.S. Department of Commerce, Bureau of Economic Analysis
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

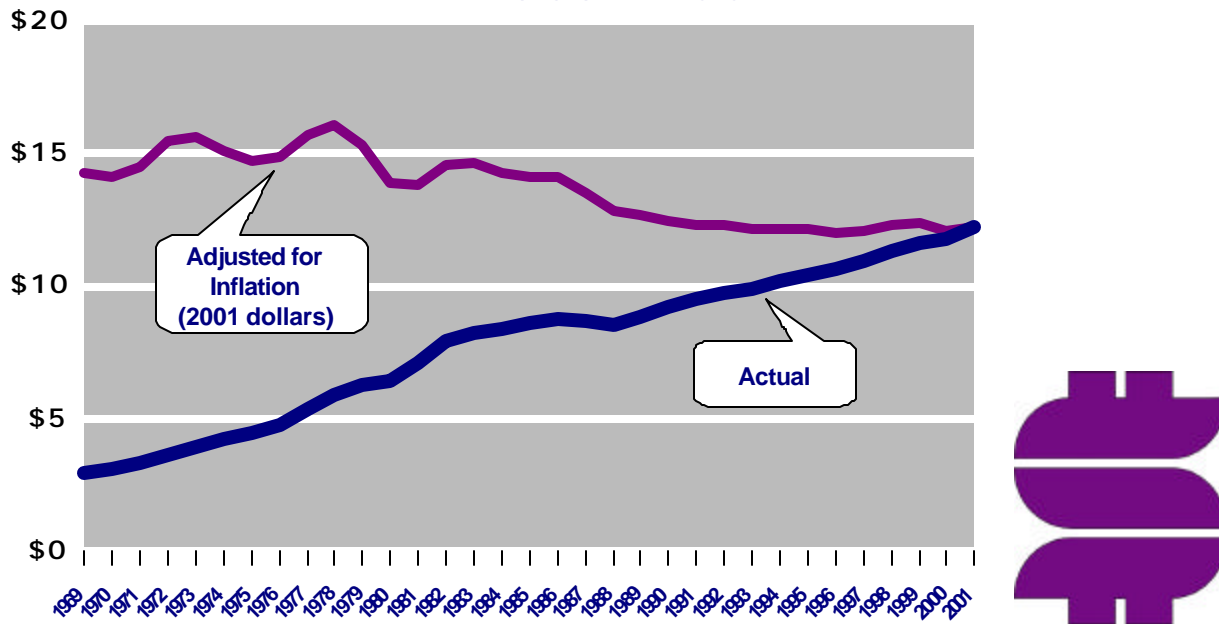
State Rank of Average Income Measures, Montana 1990 - 2000



Montana's income using various sources and definitions still ranks in the bottom 10.

Data from U.S. Bureau of Economic Analysis and U.S. Census Bureau
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Annual Average Hourly Earnings Montana Private Nonfarm Nonsupervisory Jobs 1969 - 2001



When adjusted for inflation, private nonsupervisory workers' hourly wages showed a 15-cent increase between 2000 and 2001.

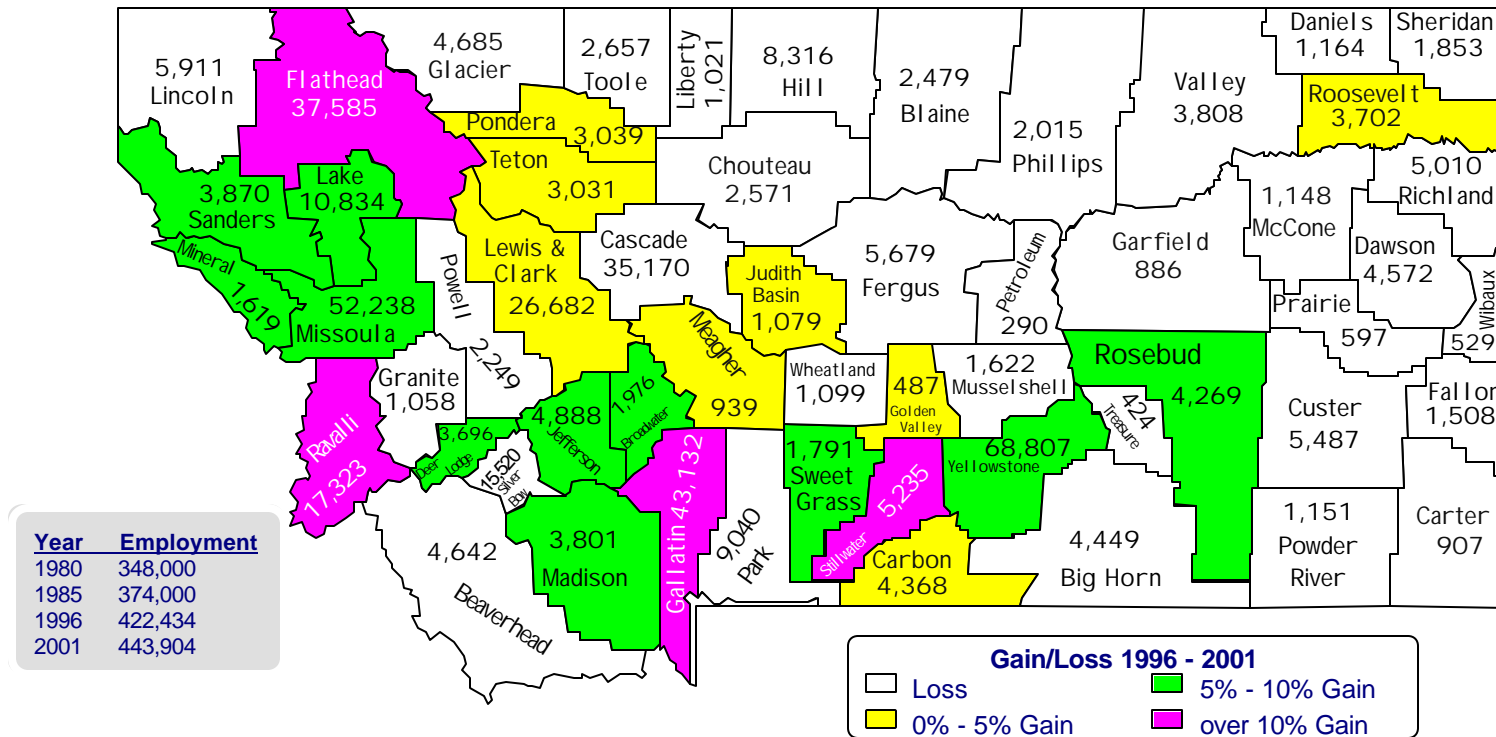
Data from Current Employment Statistics Series
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Profile of the Montana Worker



Where We Work . . .

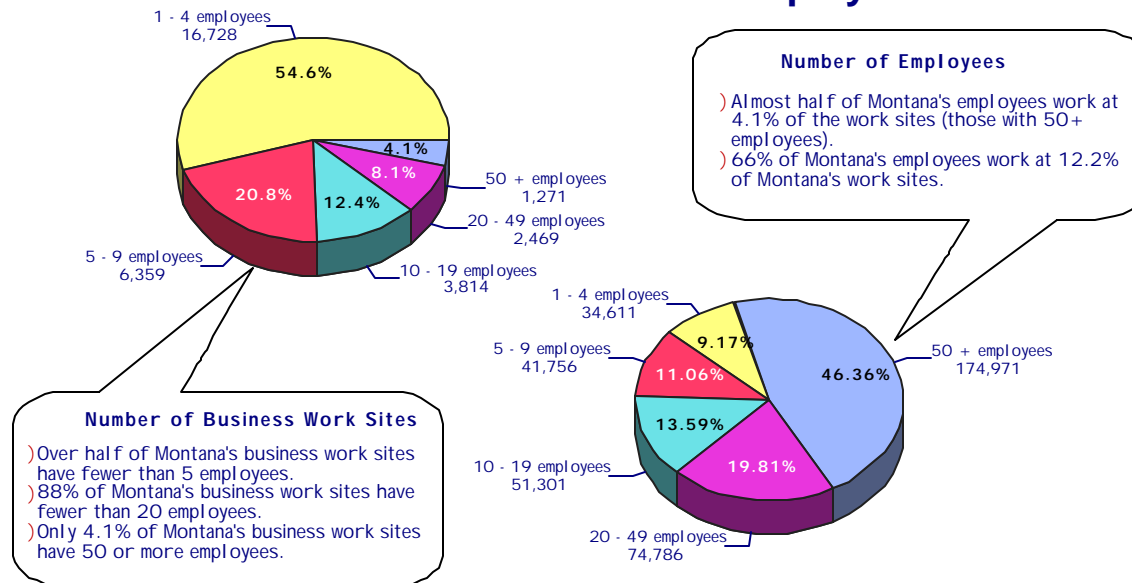
Annual Average Total Employment 2001



23 of 56 counties showed growth. State Employment Total: 443,904 Gain 1996 - 2001: +5.1%

Data from Local Area Unemployment Statistics series
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Montana Employment* by Work Site Size Size Class Based on March 2001 Employment Data



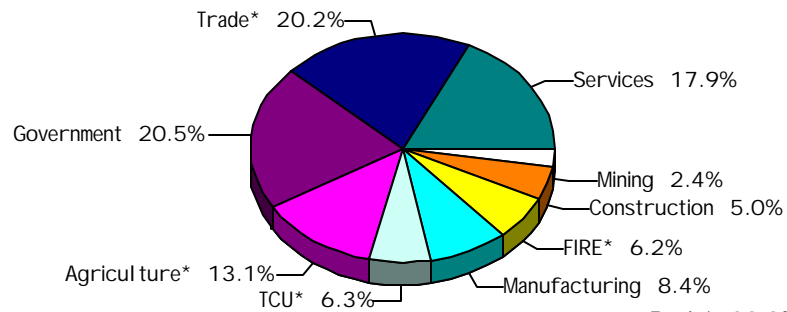
From March 2000 - March 2001, there was a net increase of 390 work sites and 4,910 employees.

*Covered employment includes government, but excludes railroads, self-employed and most agricultural employment.

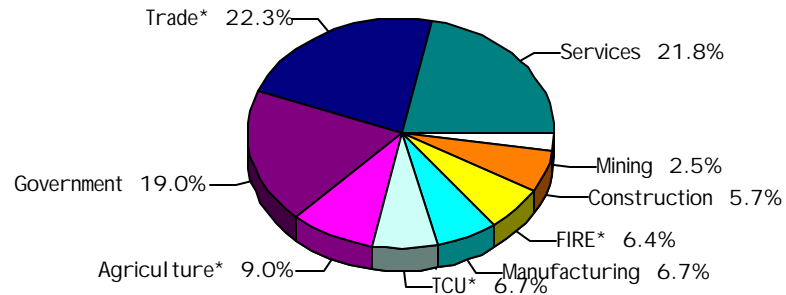
Data from ES-202 (covered employment*) series
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Montana Employment**

1970



1980



****Totals may not add due to rounding.**

Agriculture, Government and Manufacturing dropped as a percent of total employment between 1970 and 1980.

*Agriculture = Ag, Forestry, Fishing, Hunting

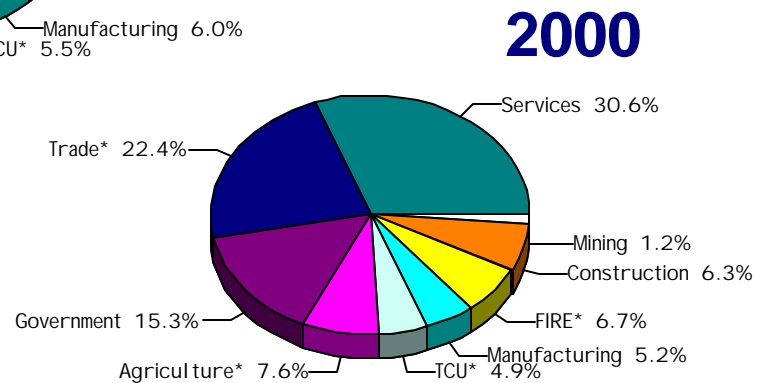
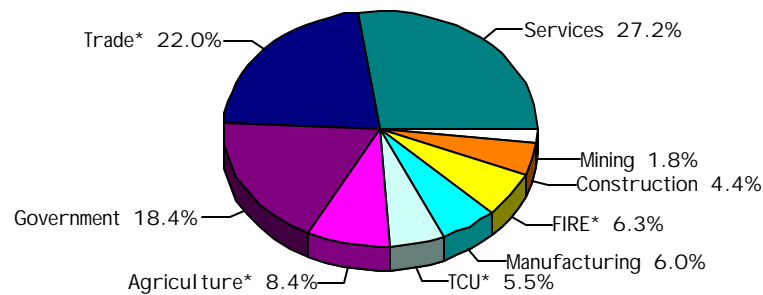
*FIRE = Finance, Insurance & Real Estate

*Trade = Wholesale/Retail Trade

*TCU = Transportation, Communications & Utilities

Data from U.S. Bureau of Economic Analysis, jobs include self-employment
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Montana Employment**



****Totals may not add due to rounding.**

Agriculture, Government, Manufacturing, Mining & TCU employment dropped as a percent of total employment between 1990 and 2000.

*Agriculture= Ag, Forestry, Fishing & Hunting

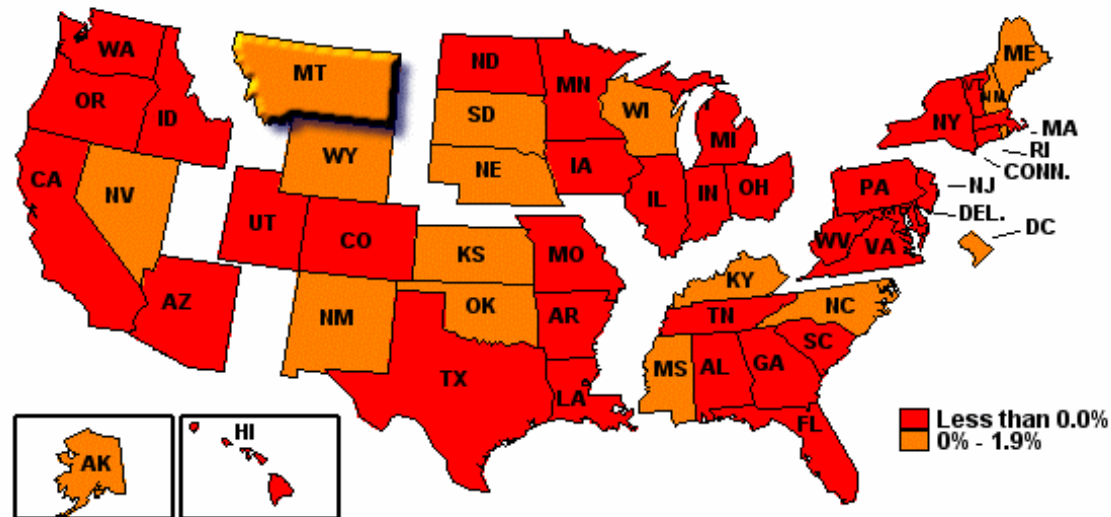
*FIRE = Finance, Insurance & Real Estate

*Trade = Wholesale/Retail Trade

*TCU = Transportation, Communications & Utilities

Data from U.S. Bureau of Economic Analysis, jobs include self-employment
Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Percent Change in Total Nonfarm Employment Seasonally Adjusted June 2001 - June 2002



For the state fiscal year 2002, Montana was one of only 16 states to show employment growth.

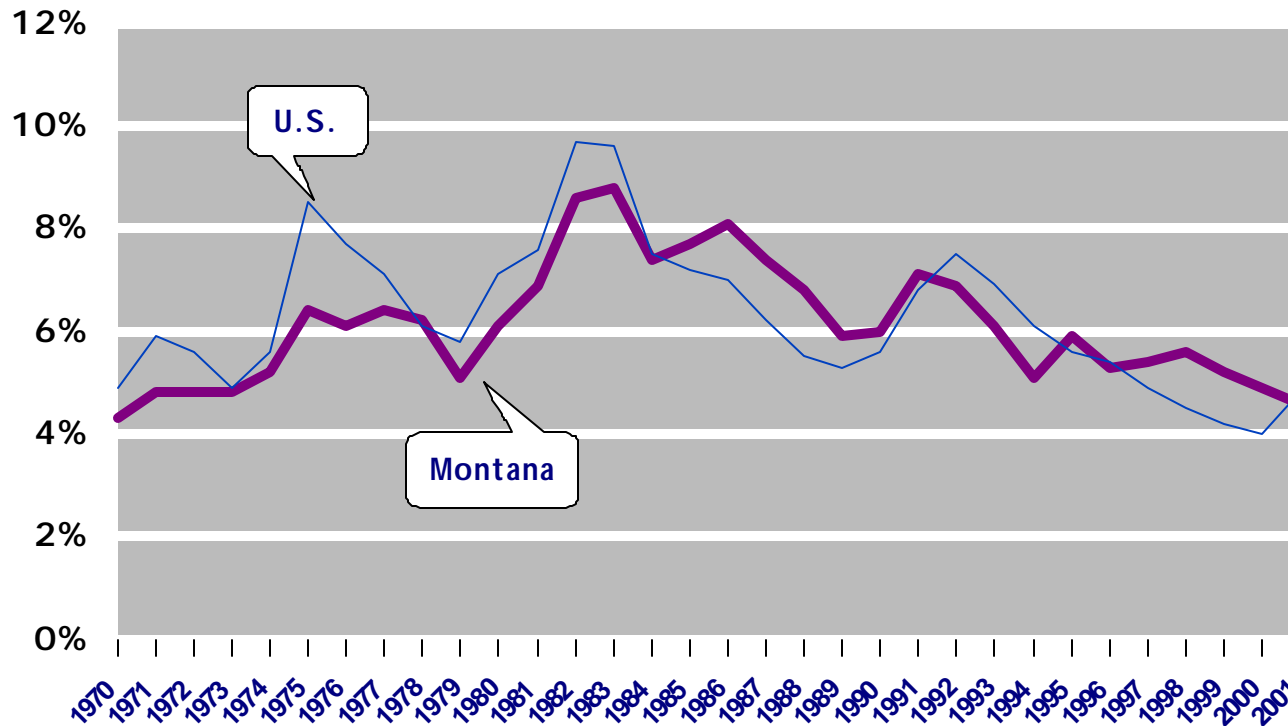
Data from U.S. Bureau of Labor Statistics, U.S. Department of Labor

Profile of the Montana Worker

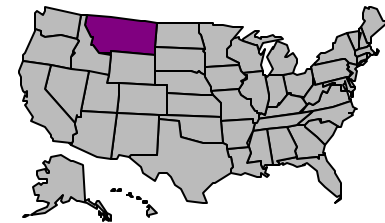
Challenges We Face . . .



Annual Average Unemployment Rate Montana and U.S.



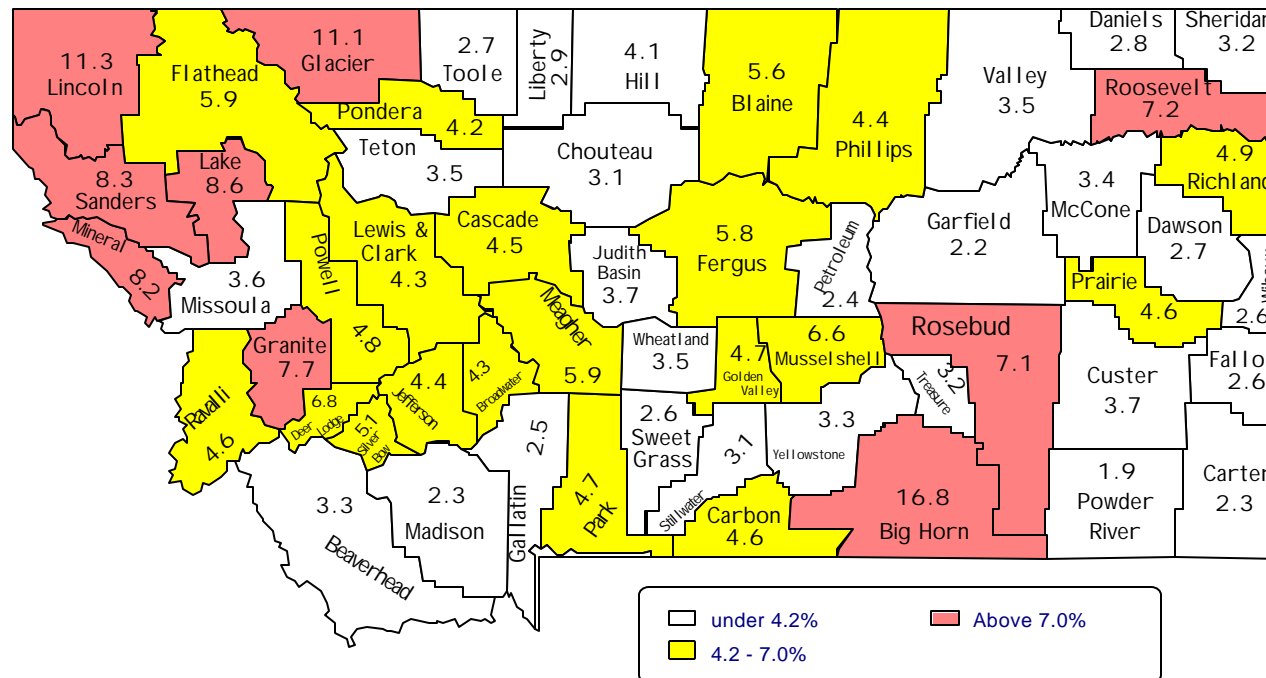
Year	Montana	U.S.
1970	4.3%	4.9%
1980	6.1%	7.1%
1990	6.0%	5.6%
2001	4.6%	4.8%



The Montana and U.S. unemployment rates have basically declined since the early 1980s.

Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

Annual Average Unemployment Rate 2001



9 counties showed high unemployment over 7%; 6 of the 9 counties are those with Indian Reservations.

Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau

DEFINITIONS and PROGRAM DESCRIPTIONS

Census of Fatal Occupational Injuries

The Census of Fatal Occupational Injuries (CFOI) program, conducted in cooperation with the U.S. Department of Labor, is designed to collect information on all fatal occupational injuries.

Census of Population and Housing

The U.S. Department of Commerce, Bureau of the Census, conducts a national population census every 10 years. In 2000, every person and housing unit in the United States was asked certain basic demographic and housing questions (for example, race, age, marital status, housing value or rent). A sample of these persons and housing units was asked more detailed questions about such items as income, occupation and housing costs in addition to basic demographic and housing information. The data derived from the sample questions are estimates of the actual figures which would have been obtained from a complete count. The Census uses the same definitions of civilian labor force (CLF) employment and unemployment as the Local Area Unemployment Statistics (LAUS) program. The **experienced unemployed** are defined as those unemployed persons who have worked at any time in the past.

Covered Employment Program (ES -202)

The ES-202 report (produced by the Montana Department of Labor and Industry, Research and Analysis Bureau, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics) provides jobs and payroll data reported to the Montana Department of Labor and Industry by employers subject to Montana's unemployment insurance laws. Normally these employers are those whose annual payrolls exceed \$1,000 in a calendar year. Agricultural employers are not covered unless they have another business that is covered or pay total cash wages of \$20,000 or more in a calendar quarter or employ 10 or more workers in 20 different weeks in a calendar year. A **work site** is a single physical location at which one type of economic activity is predominantly performed. Employers who operate at two or more locations are requested to identify separately the employment and payrolls of each location, and each is classified as a separate work site.

Current Employment Statistics (CES -790)

The Current Employment Statistics (CES) program, conducted by the Montana Department of Labor and Industry, Research and Analysis Bureau, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, provides monthly estimates of a wide variety of employment and earnings information. The program estimates jobs by place of work (**establishment data** or a **count of jobs**) and covers full-time and part-time employees who worked during, or received pay for, the payroll period that includes the 12th of the month. Because this information comes from a survey of employers, persons who work for two different companies would be counted twice. Thus, nonagricultural employment is actually a count of the number of jobs filled, rather than the number of persons employed. CES data excludes the self-employed, volunteers, unpaid family workers and domestic workers. Persons who are on paid sick leave, vacations or holidays are considered employed. Payroll and worker-hour data are collected for private nonfarm wage and salary workers. (**Nonfarm wage and salary workers** are employees who are production and related workers in manufacturing industries or nonsupervisory workers in private service-producing industries, construction and mining industries. Self-employed, owners and partners of unincorporated businesses, persons working in small agricultural operations, unpaid family members, workers on straight commission, some elected officials and domestic employees are excluded.) Earnings figures are "gross" figures – that is, they reflect changes in hourly wage rates. The payroll data includes pay for overtime, shift premiums, holidays, vacations and sick leave. The payroll data excludes bonuses and fringe benefits. The hours figures relate to the hours for which pay was received, which is different from scheduled or standard work hours.

Local Area Unemployment Statistics (LAUS)

The LAUS program is operated by the Montana Department of Labor and Industry, Research and Analysis Bureau, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics (BLS). In Montana, the program uses a statistical model, with data collected monthly through the Current Population Survey (CPS) as its major component, to compute labor force, employment and unemployment data. The LAUS program is the official BLS-approved series used to allocate federal funds and determine eligibility for federal assistance programs. It estimates employment and unemployment by place of residence (**residence data** or a **count of people**) and is not comparable to the place-of-work (establishment or count of jobs) data from the CES and ES-202 programs. LAUS data is calculated for the week that includes the 12th of the month. Total **employment** includes agricultural workers, unpaid family workers, domestic workers and the self-employed in addition to nonfarm wage and salary workers. The **civilian labor force** is those persons 16 years and older, defined as employed or unemployed, excluding members of the armed forces. **Employment** is defined as the number of people who, during the reference week, worked at least one hour for pay or profit, or 15 hours or more as unpaid family workers. **Employment** includes those who, although not working, had some job attachment and were not looking for work – including persons temporarily absent from a job due to illness, bad weather, vacation or labor dispute, whether or not they were in a pay status during their time off. **Unemployment** is defined as the number of people who did not work at all for an entire week, were both able and available to work, and (1) were looking for work or (2) would have looked for work, except that (a) they were waiting to return to a job from which they had been laid off, or (b) they were waiting to report to a new wage and salary job scheduled to start within the following 30 days (and were not in school during the week). The **unemployment rate** is the number of unemployed as a percent of the civilian labor force.

Occupational Employment Statistics (OES)

The OES survey is an annual mail survey (conducted by the Montana Department of Labor and Industry, Research and Analysis Bureau, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics) of a sample of nonfarm establishments, covered by unemployment insurance, to obtain wage and salary employment by occupation, plus wage rates. The Research and Analysis Bureau uses these data to develop occupational projections for nonfarm wage and salary workers.

Per Capita Personal Income

Per capita personal income (average income per person) is defined as annual total personal income of residents divided by the resident population as of July 1 of each year. **Personal income** is income received by persons from all sources – private and government wage and salary disbursements (payrolls), other labor income (basically, employer contributions for fringe benefits), farm and nonfarm proprietors' (self-employment) income, rental income of persons, personal dividend income, personal interest income, and transfer payments – less personal contributions for social security and other social insurance. Personal income is measured before the deduction of personal income taxes and other personal taxes, and, unless otherwise noted, is reported in current dollars with no adjustment made for price changes.

Survey of Occupational Injuries and Illnesses (OSH Program)

The Survey of Occupational Injuries and Illnesses is an annual survey conducted in cooperation with the U.S. Department of Labor to compile occupational injury and illness statistics. Excluded from the survey are self-employed individuals, farmers with fewer than 11 employees, private households employing domestic workers, and independent mining contractors. Employers regulated by other federal safety and health laws, and all local, state and federal government agencies are also excluded.

Acknowledgements

Thanks are due to many people who contributed to the production of this report, including:

- Phil Brooks, Peggy Coggeshall, Tina Hash, Julie Huntington, Eric Johnson, Kate Kahle, Mike Peery and Ward Stiles from the Montana Department of Labor and Industry, Research and Analysis Bureau, who researched the data, created the charts and graphs, composed the summaries, and edited and produced the report;
- all those who take the time to respond to the government surveys which provide the base data;
- program staff from the Montana Departments of Labor and Industry and Commerce who supplied and interpreted the data.

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Montana Department of Labor and Industry**